

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

IN RE:

ESTATE OF FERDINAND E. MARCOS
HUMAN RIGHTS LITIGATION

MDL NO. 840
No. 86-390
No. 86-330

THIS DOCUMENT RELATES TO:

Hilao et al v. Estate of Ferdinand
E. Marcos,
and
DeVera et al v. Estate of Ferdinand
E. Marcos.

NOTICE OF DISTRIBUTION OF PROCEEDS FROM JUDGMENT
AND APPLICATION FOR COUNSEL FEES AND EXPENSES

TO: ALL CLASS MEMBERS

This notice is sent pursuant to the Order of the United States District Court for the District of Hawaii to inform you that (1) the Court will distribute to eligible Class Members monies recovered from execution on the Class' 1995 Judgment, and (2) the Court will decide whether Class Counsel's interim request for an award of fees and reimbursement of expenses is reasonable.

BACKGROUND

This proceeding was commenced in April 1986 against Ferdinand E. Marcos on behalf of a Class of 9,539 Philippine citizens (or their heirs) who had been tortured, summarily executed or disappeared during the Marcos rule between September 1972 and February 1986. The Estate of Ferdinand E. Marcos was substituted as defendant upon his death in 1989. Following trials in 1992, 1994 and 1995, the Court entered Final Judgment on February 3, 1995 in favor of the Class in the amount of US\$1,964,000,000. **Your claim is one of the 9,539.** The Judgment was affirmed by the US Appeals Court, and is now final.

COLLECTION PROCEEDINGS

Class Counsel actively pursued collection of the 1995 Judgment, but were hindered by the concealment of assets belonging to the Estate of Ferdinand E. Marcos and the persistent delay in the Philippine court system's recognition of the 1995 Judgment. Class Counsel successfully executed on the 1995 Judgment in the United States, collecting about \$1.5 million from a car and house in Hawaii and a painting in New York owned by Marcos. On July 12, 2004 Class Counsel obtained a Judgment in favor of the Class in the litigation known as *Merrill Lynch v. Arelma Inc.* for about \$35 million. On May 4, 2006 the United States Court of Appeals affirmed the Judgment. The monies collected thus far, including the \$35 million, have been deposited into a Fund maintained by the United States Court. Class Counsel are, and will continue, to seek to uncover and execute on other Marcos assets.

DISTRIBUTION OF THE FUND

The Court will distribute the Fund (less administrative costs of the distribution, counsel fees and expenses) to the Class Members. All validated claims will receive an equal amount of money. The Court will make distributions to individual class members directly, not through intermediaries. Consistent with its prior Orders, the Court will not recognize the validity of special powers of attorney solicited by certain persons and groups.

ELIGIBILITY OF CLASS MEMBERS

Not all Class Members are eligible to receive payment. The Court required Class Members in both 1993 and 1999 to submit Claim Forms. Only those Class Members who submitted complete Claim Forms in each of those years will be eligible to receive payment. It is too late to submit or supplement a Claim Form.

APPLICATION FOR AN AWARD OF ATTORNEYS FEES AND EXPENSES

In 20 years of litigation, Class Counsel have advanced all litigation expenses and have not previously received payment of either counsel fees or expenses. Class Counsel have requested the Court to render an interim award of counsel fees totaling 30% of the Fund after first deducting reimbursement of counsel's expenses in the amount of \$1,033,900.09. In addition, Class Counsel will request the Court to set aside \$775,000 to cover fees and expenses that have been or will be incurred in administration and distribution of payments to Class Members; compensation to the Special Master; and special counsel in Singapore. The application for attorneys fees and expenses has been filed with the Clerk of the Court, United

States Courthouse, 300 Ala Moana Boulevard, Honolulu, Hawaii 96850, and is available for inspection there and at the offices of Class Counsel listed below.

HEARING

The Court will hold a hearing on June 26, 2006 at 10 a.m. At that hearing the Court will consider whether to approve Class Counsel's application for attorneys fees and expenses. The hearing will be held in the Courtroom of the Honorable Manuel L. Real, United States Courthouse, Honolulu, Hawaii.

YOU NEED NOT APPEAR AT THE HEARING OR TAKE ANY OTHER ACTION IF YOU APPROVE OF, OR DO NOT OBJECT TO, THE APPLICATION OF CLASS COUNSEL FOR ATTORNEYS FEES AND EXPENSES.

Any member of the class may appear at the hearing and show cause, if any, why the application of Class Counsel for attorneys fees and expenses should not be approved by the Court. No person will be heard at the hearing unless a written notice of intention to appear, stating all grounds for the objection or other statement of position, together with all supporting papers and briefs, are sent to the Clerk of the Court by first-class mail and **received** no later than June 15, 2006 at the following address:

Clerk of the Court
United States Courthouse
300 Ala Moana Boulevard
Honolulu, Hawaii 96850

The envelopes and objections must bear the caption: "Estate of Ferdinand E. Marcos Human Rights Litigation, MDL No. 840 (D.HI)." A copy of such papers must be served by first class mail upon Lead Counsel for the Class and **received** no later than June 15, 2006 at the following address:

Robert A. Swift, Esquire
Kohn, Swift & Graf, P.C.
1 South Broad Street, 21st Floor
Philadelphia, PA 19107

ADDITIONAL INFORMATION

If you have changed your address, if you change your address at any time in the future, if this Notice reached you at a place other than the one to which it was directed, or if you have additional questions concerning this Notice, you should immediately notify Robert A. Swift at the address above, or:

Atty. Rodrigo C. Domingo
Filipino Co-Counsel
LPL Center, Unit 15-B
130 L.P. Leviste Street, Salcedo Village, Makati City
Philippines
Tel No: 813-3497; Fax No: 812-7997

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR JUDGE REAL

BY ORDER OF THE COURT:

/s/ Sue Beitia
SUE BEITIA, Clerk
United States District Court
District of Hawaii

Dated: May 26, 2006